

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

February 27, 2013

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Commission Vice-President Roush called the Regular Meeting of the Water and Light Commission to order at 8:09 A.M., with Commissioners Roy Kordus, and Dan Zelinski present on roll call. Also present were Melanie Krause, Co-General Manager/Business Operations; Steve Grenell, Project Engineer; Tim Gosz, Water Plant Supervisor; Kristin Hubertus, Business Operations Accountant; Paula Maurer, Customer Services Manager; Lonnie Pichler, Electric and Water Distribution Supervisor; and John Teale, Technical Services Engineer.

Those absent were: Commissioner Allwardt and Commissioner Merkes.

Item II. No one from the Gallery was heard on any topic of public concern to the Utility.

Item III. Motion made by Comm. Zelinski, seconded by Comm. Kordus, was unanimous on roll call to approve the following:

- A. Minutes of the Regular Meeting of January 23, 2013
- B. Approve and warrant payments summarized by checks dated January 31 & February 1-27, 2013, which includes Net Payroll Voucher Checks, Void O & M Check #45038, and Operation and Maintenance Voucher Checks for a total of \$995,436.23, and Operation and Maintenance Vouchers and Rebates to be paid prior to the next Regular Meeting. Motion approved unanimously on roll call
- C. Correspondence as listed:
 - Copy of thank you card from Boys' & Girls' Brigade re: Adopt-A-Family Christmas Giving Program
 - Copy of letter dated 1/23/13 from Donald Hietpas & Sons, Inc. re: recognition of dedication and work ethic of Scott Maurer and crew
 - Copy of thank you letter from Lisa Weiner, UW Fox Valley Foundation RE: Scholarship for the 2013-14 academic year
 - Copy of letter and compliance report dated 1/28/13 to Scot Cullen, Public Service Commission RE: Two Year Report Documenting Compliance with the Preventative Maintenance Plan

Item IV. December 2012 & January 2013 Financial and Project Status Reports – Electric consumption was under budget by 2.24% for 2012; revenues were within 1% of budget. All operating expenses are under budget for the entire year with administrative and other operating expenses making up the largest differences. Water consumption was 4% above budget strictly due to an industrial customers increased use. Water treatment chemicals, for the year, came in under budget by \$1,253.00.

Business Operations Accountant Hubertus stated increased water revenues account for half of the cash balance. Reduced personnel and delayed projects make up the difference.

Mrs. Hubertus added Steam expenses were higher for the month of December because of additional administrative costs and chemicals needed to keep the boilers heating the plant.

Mrs. Hubertus reported on increased electricity consumption, compared to budget, for the month of January, with industrial customers having the highest impact. The net cash balance is lower than budgeted, partly because figures for 2012 ended lower than budgeted and needed to be carried forward to 2013.

On the Project Status Report, several projects are being delayed in order to reach WPPI year end requirements for cash reserves. Staff will be monitoring the cash position monthly to see if projects are able to be brought back for 2013.

Water consumption was less than budget by less than 1% in January. Industrial customers increased usage made up for the town's decreased usage. The higher system loss ratio is due to two leaks in the distribution system that are being investigated by staff. Net operating income was higher than budget mainly due to lower chemical costs. East Basin repair came in under budget and is finished.

Comm. Zelinski questioned projects that are being delayed and how would an emergency be handled.

Mrs. Krause stated the delays are non-crucial projects. If an emergency came up delays are assigned a priority code and adjustments would need to be made accordingly.

Project Engineer Grenell added, on the Electric side, funds have been put into replacing poles, lines, transformers and substation maintenance programs to increase reliability in the system.

After discussion, the Commission accepted the December 2012 & January 2013 Financial and Project Status Reports as presented.

Item V. Claims Against The Utility – there were no claims discussed at this meeting.

Item VI. There were no purchase Orders over \$10,000.00 issued since the last Commission meeting.

Item VII. New Business, Year End Reliability Report - Electric and Water Distribution Supervisor Pichler explained the most common distribution indices and how they measure the reliability of an electric distribution system. The ASAI ratio, amount of time service is available to the total customer hours demanded, was 99.996% for 2012. These figures are benchmarked to other utilities.

Mr. Pichler reviewed the second part of the report regarding Number of Outages (by cause). In 2012 there were 35 outages, the bulk coming from birds and other animals. Staff will be looking into various arrestor covers to help alleviate this problem.

Comm. Zelinski asked about the tree figures being low. Mr. Pichler referred to the success of the Utilities Tree Trimming program.

During the compilation of the Reliability report the age of the transformers that went bad were noted. Staff will make these a priority for change outs.

Comm. Zelinski asked if having wires underground would be more reliable than overhead. Mr. Pichler stated it was more reliable in regards to weather conditions: however, installation and replacement costs are much higher.

Item IX. Project Reports, Water Plant Projects – Water Plant Supervisor Gosz reported the East Basin repair project was finished and came in under budget. BFM Pump #3 rebuild had an issue upon start up. The pump was pulled and Crane will be working to remedy the problem. A change order will be coming for parts needing repair that weren't included in the original rebuild. Pump #2 has been running for a few months with no problems.

Source Water Plan – Mr. Gosz reported on a proposed Water Quality Study with analysis of several source water locations sent to the DNR. Many of the scheduled tests will be performed in the Utilities lab. We are waiting for response from the DNR to begin the study.

Water Distribution Projects – Mr. Pichler stated there were two leaks that staff was investigating, as mentioned earlier.

Metering Practice & Plan – Mr. Grenell reported Chapman is done inspecting the schools and will be submitting a report to the Menasha School District. They are scheduled back on March 11th to finish up the CP2 customers and then move on to the CP1 customers where staff will be changing out meters to monitor demands and verify correct rate class.

Work is continuing on the Best Practices Program. Staff is reviewing 6 year trending data on CP2, CP3, and CP4 customers on a monthly basis. Mr. Grenell stated the data would show meter analysis patterns. This in turn, would help to detect variances. These variances would then be investigated for possible meter or billing errors.

Metering Verification & Irregularities – A meeting was conducted with the two customers affected by the meter discrepancies. Payment plans were presented to both parties. A PCAC adjustment request was sent to the PSC on February 4. A response has not been received yet.

Mr. Grenell added employees will be attending Metering and Billing Best Practices training put on by WPPI in March and April.

Item X. Staff Reports, Project Engineer, Telecommunications & Substations, Electric and Water Distribution/Safety Report, Co-General Manager/Business Operations - there were no additional questions to the reports presented.

Water Plant – Mr. Gosz reported that system data distributed to SCA was missing on the Water Plant report due to a transition at SCA; contact has been reestablished.

Customer Services – Comm. Roush asked for an assessment of collection problems as compared to last winter.

Customer Services Manager Maurer reported that changes have been made, within established rules and regulations, and collections are improving. Coming out of Moratorium has become more manageable with the new collection practices.

Comm. Zelinski commented on water disconnection, during the winter, helping the process.

Mrs. Maurer gave an update on future collection policy changes and how Customer Service is being proactive by incorporating the changes in their current procedures.

Energy Services Representative/Key Accounts – There were no additional questions to the report presented.

Item XI. No one from the Gallery was heard on any items discussed at this Meeting.

Item XII. The motion by Comm. Zelinski, seconded by Comm. Roush, was unanimously approved on roll call at 9:16 a.m. to convene into Closed Session pursuant to Section 19.85 (1) (c) of the Wisconsin Statutes for the purpose of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. RE: Performance Evaluations of Co-General Managers.

By: JOANNE ROUSH
Vice-President

DAN ZELINSKI
Secretary

NOTE: THESE MINUTES ARE NOT TO BE CONSIDERED OFFICIAL UNTIL ACTED UPON AT THE NEXT REGULAR MEETING, THEREFORE, ARE SUBJECT TO REVISION.

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